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FOR IMMEDIATE RELEASE

Attorney General's Office Files Civil Rights Suit Against Homebuilder

(Phoenix, Ariz. – Nov. 18, 2005) Attorney General Terry Goddard today announced his Office has filed a lawsuit against William Lyon Homes Inc., alleging the company violated Arizona's Fair Housing Act.

An investigation conducted by the Civil Rights Division concluded there is reasonable cause to believe a William Lyon's sales agent deliberately told Henry and S. Marie Gates that they were sold out of lots in the Mountain Gate at Copper Rancho Vistas community in Surprise because the couple is African American. Misrepresenting the availability of housing because of race is prohibited under the Arizona Fair Housing Act.

The Gateses toured the development's model homes on Feb. 28, 2005, and expressed interest in buying a home in the community. The sales agent told the couple the community was sold out, but they could be put on a waiting list for the model homes. The investigation revealed the homebuilder planned to release five to seven more lots the same day, and the agent was aware of the plan.

The following day the Gateses learned that the sales agent misrepresented the availability of the lots to them and called William Lyon's sales office to complain. A different sales agent confirmed there were lots available in the Surprise development, and that William Lyon kept a waiting list for those lots, a fact the original sales agent failed to tell the couple. After a number of days passed, William Lyon contacted the Gateses and offered to sell them a lot released on Feb. 28. The sales agent told the Gateses that the price of the two-story home they wanted had increased from the Feb. 28 base price of \$518,000 to \$583,000.

The lawsuit was filed after a required 30-day conciliation period expired, and a settlement could not be reached. William Lyon denies that it discriminated against the couple because of their race and denies that it violated the Arizona Fair Housing Act.

The Arizona Civil Rights Act prohibits discrimination in housing based on a person's disability, race, color, religion, sex, familial status or national origin. Anyone who believes that their civil rights have been violated should call the Arizona Attorney General's Office Division of Civil Rights toll-free statewide at 1.877.491.5742. The Attorney General's Office has 16 satellite offices throughout Arizona, and volunteers are available to take civil rights complaints. Please visit the Attorney General's Web site at www.azag.gov for location information.

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